

# Board of Education Agenda Item

Item: C.

Date: October 27, 2011

**Topic:** Final Review of Recommendations Concerning Literary Fund Applications  
Approved for Release of Funds or Placement on a Waiting List

**Presenter:** Mr. Kent C. Dickey, Deputy Superintendent for Finance and Operations

**Telephone Number:** (804) 225-2025

**E-Mail Address:** Kent.Dickey@doe.virginia.gov

**Origin:**

Topic presented for information only (no board action required)

Board review required by

State or federal law or regulation

Board of Education regulation

Other: \_\_\_\_\_

Action requested at this meeting  Action requested at future meeting: \_\_\_\_\_ (date)

**Previous Review/Action:**

No previous board review/action

Previous review/action

date \_\_\_\_\_

action \_\_\_\_\_

**Background Information:**

The Literary Fund regulations of the Board of Education establish two priorities for the Literary Fund Waiting Lists. These priorities are as follows:

Priority 1: Applications from localities having a composite index less than 0.6000 and indebtedness (including the application considered for release of funds) less than \$20 million to the Literary Fund (Attachment A).

Priority 2: Applications from localities having a composite index of 0.6000 or above or an indebtedness (including the application considered for release of funds) of \$20 million or greater to the Literary Fund (Attachment B).

Attachment C lists the projects that have been removed from the First Priority Waiting List.

Attachment D identifies the Literary Fund applications that are available for release.

Attachment E is the Board of Education's current Approved Application List. This attachment identifies the Literary Fund applications that are approved as to form but are not included on either waiting list and are not recommended for funding.

### **Summary of Major Elements:**

To the extent funds are available, a recommendation for initial release of funds is presented for projects currently on the First Priority Waiting List or otherwise eligible for priority funding. To the extent funds are not available, new requests for the initial release of Literary Funds cannot be approved. As a result, such requests must be deferred and placed on either the First or Second Priority Waiting List in accordance with the Literary Fund regulations.

This item consists of three elements that require action by the Board of Education. These elements are:

1. Four new projects, totaling \$23,000,000 and listed on Attachment A, are eligible for placement on the First Priority Waiting List.
2. Henry County's Magna Vista High School project on the First Priority Waiting List was partially funded through the school division's participation in the Series 2011-1 Virginia Public School Authority Qualified School Construction Bonds Program in June, 2011. The school division requested on August 26, 2011, that the reduced amount of \$800,000 remaining on the First Priority Waiting List be withdrawn from funding.
3. Three new projects, totaling \$10,711,425 and listed on Attachment E, have a Literary Fund application which is approved as to form, but the plans have not yet been finalized. When the department receives the plans, these projects will be eligible for placement on a waiting list. Until such time, the projects should remain on the Approved Application List.

### **Superintendent's Recommendation:**

The Superintendent of Public Instruction recommends that the Board of Education approve the action described in the three elements listed under "Summary of Major Elements."

### **Impact on Resources:**

Current Board policy provides that, upon initial release of funds, Literary Fund cash is reduced in the total amount of the approved loan to assure that cash is available as required for project completion. The disbursement of funds is based on actual invoices or other evidence of bills due and payable from the Literary Fund.

**Timetable for Further Review/Action:**

The staff will prepare items for the Board on this action as needed. Based on the availability of funds, initial release of funds will be made or projects will be deferred and placed on the Waiting Lists.